

HOUSE BILL 2146  
By Matheny

AN ACT authorizing Coffee County to levy a privilege tax on large events.

WHEREAS, Coffee County, Tennessee has in recent years been the venue of large events which attract thousands of individuals; and

WHEREAS, the influx of thousands of individuals to Coffee County, Tennessee, that attend such events has placed an increased burden on the Coffee County local inhabitants to provide law enforcement, traffic control, first aid and ambulance services out of proportion to the needs of the local citizenry; and

WHEREAS, at least a portion of the expenses of this greater service burden should be born by individuals for whose use and protection the needed services are provided; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. As used in this act, unless the context otherwise requires:

(1) "Admission" means admission for a large event for a consideration and shall apply on admission fees or charges, whether or not a ticket is actually issued;

(2) "Consideration" means the consideration charged whether or not received for an admission for a large event valued in money whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever; provided that nothing in this definition shall be construed to imply that consideration is charged when the service provided is complimentary and no consideration is charged to or received from any person by an operator;

(3) "Consumer" means any person who pays consideration for admission to a large event;

(4) "Large event" means any commercial endeavor where admission is charged and more than fifty thousand (50,000) persons are expected to attend within a continuous seven-day period in Coffee County;

(5) "Operator" means the person operating a large event;

(6) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other entity, or group or combination acting as a unit.

SECTION 2. The legislative body of Coffee County is authorized to levy a privilege tax upon the privilege of a consumer attending a large event. Such tax shall be equivalent to five percent (5%) of the consideration charged for admission to the large event. Such tax shall be collected and distributed as provided in this act.

The privilege tax levied by this act shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied.

SECTION 3. Such tax shall be added by each and every operator to the consideration charged for admission for such large event, and shall be collected by such operator from the consumer and remitted by such operator to the county trustee. The tax shall not be assumed by the operator. Where the tax calculated on any admission includes any fraction of a cent, the next highest full cent shall be charged.

SECTION 4. The tax levied shall be remitted by to the county trustee not later than the twentieth (20th) day of each month next following collection from the consumer. The county trustee may promulgate reasonable rules and regulations for the enforcement and collection of such tax, shall prescribe any necessary forms, and may, by regulations, set other reporting and paying dates and periods.

In any month when no taxes are collected by an operator, such operator shall not be required to file any statement, report, or return with the county trustee, and no penalty or interest under the provisions of this act shall be imposed for failing to file such statement, report, or returns in any such month.

SECTION 5. No operator of a large event shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator or that it will not be added to the consideration, or that if added, any part will be refunded.

SECTION 6. Taxes collected by an operator which are not remitted to the county trustee on or before the due dates as provided in this act are delinquent. When an operator fails to remit the tax due, or any portion thereof, required by this act on or before such due date, there shall be imposed a specific penalty, to be added to the amount of the tax which is delinquent, in the amount of five percent (5%), if the failure is for not more than thirty (30) days, with an additional five percent (5%), for each additional thirty (30) days, or fraction thereof, during which the failure continues, not to exceed twenty-five percent (25%) in the aggregate. Provided, however, where a return is delinquent at the time it is filed or becomes delinquent, the minimum penalty shall be fifty dollars (\$50.00) regardless of the amount of tax due or whether there is any tax due. When an operator fails to remit such tax due, or any portion thereof on or before such due date, there shall be added to the amount due interest at the rate of twelve percent (12%) per annum from such date due until paid. Such interest and penalty shall become a part of the tax required to be remitted.

SECTION 7. It is the duty of every operator to keep and preserve for a period of three (3) years all records necessary to determine the amount of tax levied under the authority granted by this act, for which such operator may have been liable for collecting and remitting to the county trustee under the provisions of this act. The county trustee has the right to inspect such records at all reasonable times.

All statements, reports or returns of operators and all audits of an operator's records and files made as authorized by this act are confidential. No person shall in any manner disclose or make known any information contained therein except as follows:

- (1) To the operator personally;
- (2) To an attorney or other agent duly authorized by the operator;
- (3) To the Coffee County Trustee or the employees in the office of such trustee;

or

(4) In accordance with a proper judicial order, or as otherwise required by law.

SECTION 8. In administering and enforcing the provisions of this act, the county trustee has as additional powers, those powers and duties with respect to collecting taxes as provided in Title 67 of Tennessee Code Annotated or otherwise provided by law for county clerks.

Upon any claim of illegal assessment and collection, the consumer, as the taxpayer, has the remedies provided in Tennessee Code Annotated, Title 67 for the recovery of erroneous tax payments. It is the intent of this act that the provisions of law which apply to the recovery of taxes illegally assessed and collected shall also apply to the tax levied under the authority of this act. The provisions of Tennessee Code Annotated, Section 67-1-707, shall be applicable to adjustments and refunds of such tax.

With respect to the adjustment and settlement with consumers, all taxes erroneously collected by the county trustee under authority of this act shall be refunded by such official.

Notice of any tax paid under protest shall be given to the county trustee and suit for recovery shall be brought against such official.

SECTION 9. The proceeds from the tax levied by this act shall be deposited in the general fund. Proceeds of this tax may not be used to provide a subsidy to such large event.

SECTION 10. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 11. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Coffee County. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and shall be certified by such presiding officer to the secretary of state.

SECTION 12. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect upon being approved as provided in Section 11